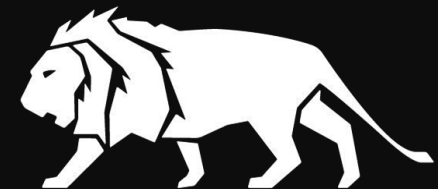




Annual General Meeting

December 2012



Lion Selection Group

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Lion Plan

A new era

Ambition

- Provide exposure to the high risk / high growth phase of mining for Lion investors
- Capital growth and dividend yield

Lion investment model unchanged

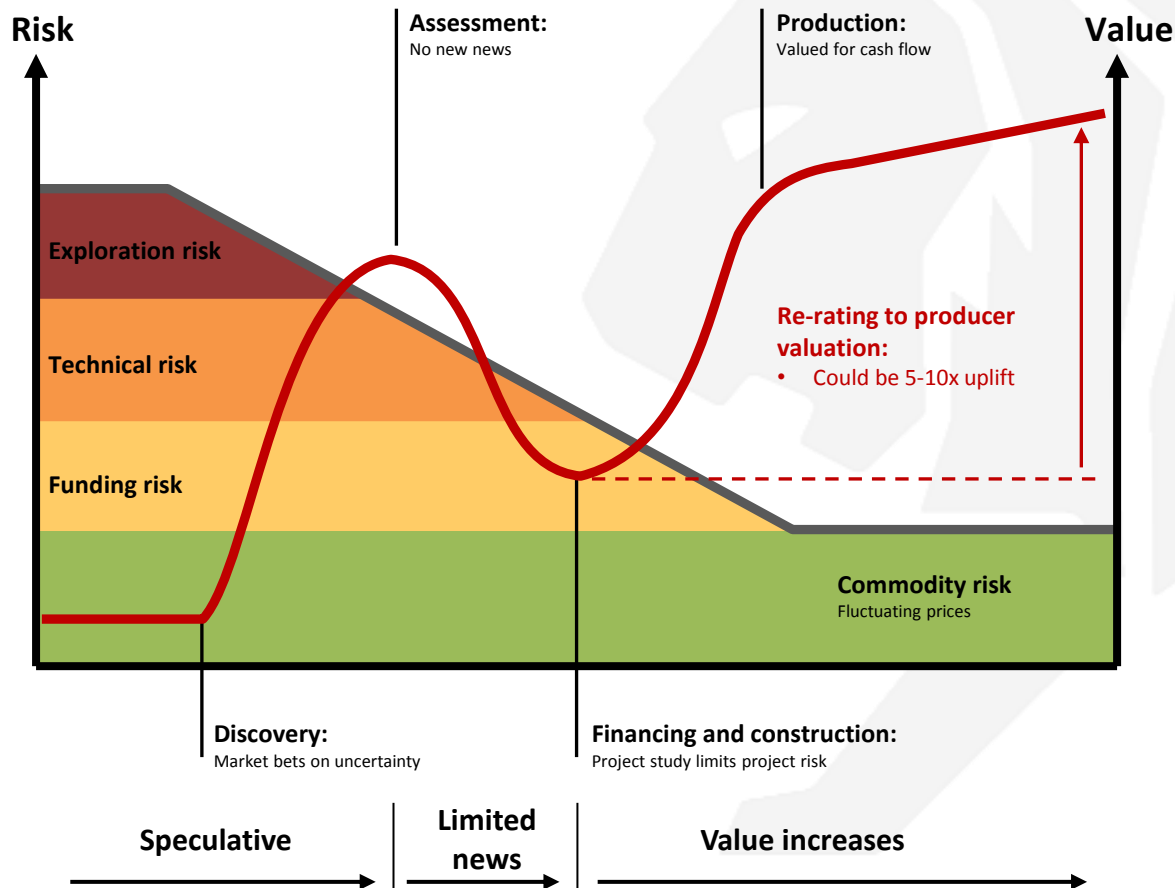
Investment Process

Process

- Very active
 - See ~1,000 opportunities each year
 - Global universe – listed / unlisted
 - Due diligence process – **understand value and risks**
 - Value add to investments – introductions and support
-

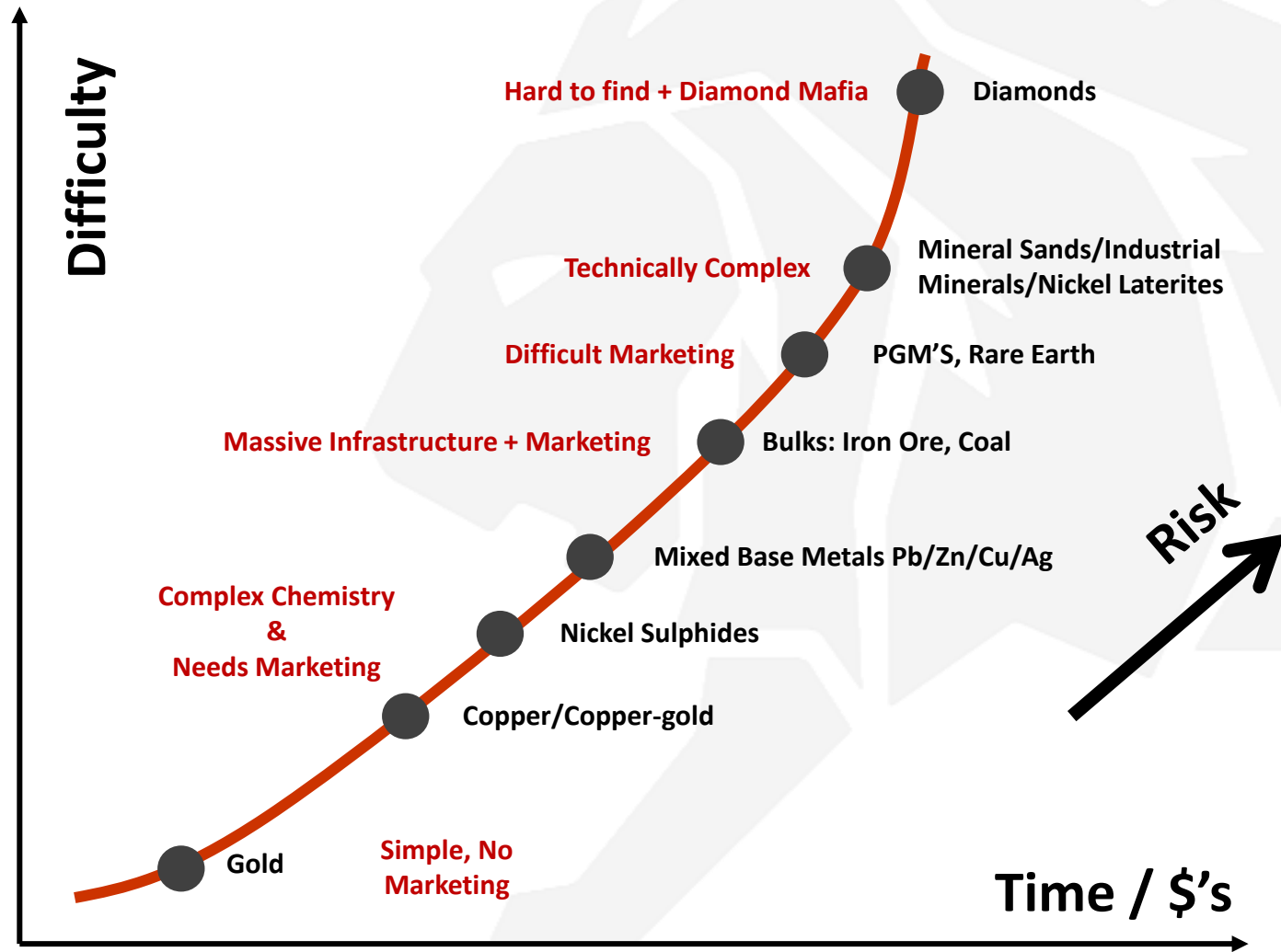
Investment Philosophy

Investment target zone

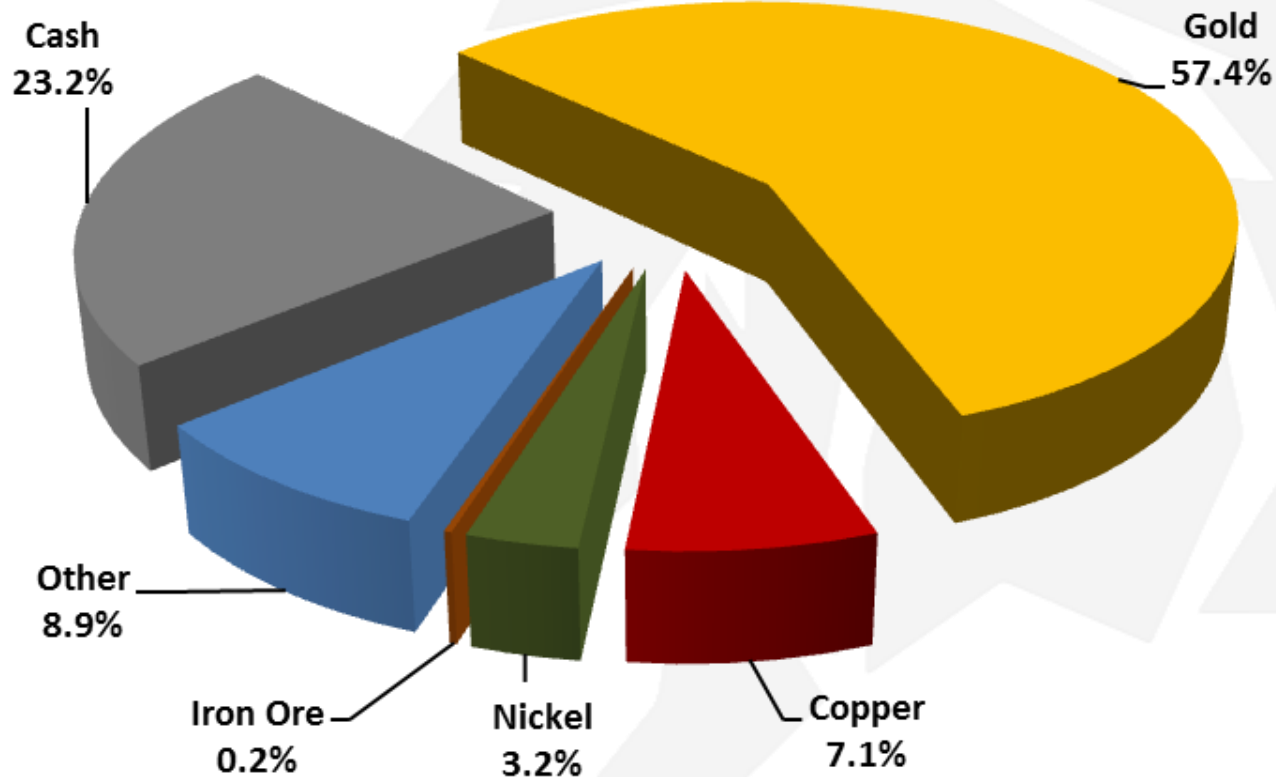


- **Long term Investments**
- **Good people**
- **Good projects**
- **Manage risks**
- **Support investments to production+**

Commodity degree of difficulty



Investments



- ***Portfolio weighted towards projects in low degree of difficulty commodities***

Key Unlisted Investments

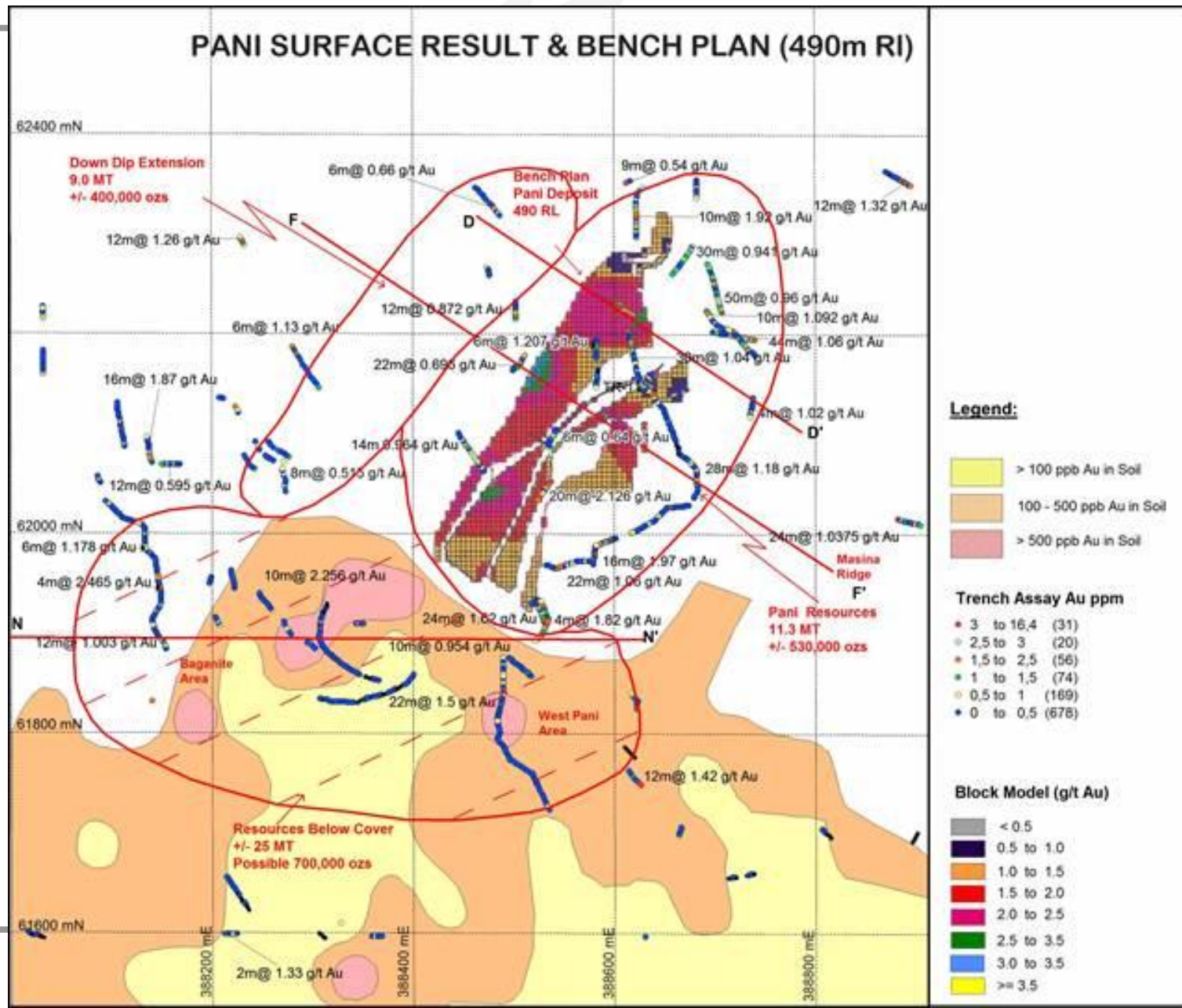
One Asia Resources

- Outstanding exploration success

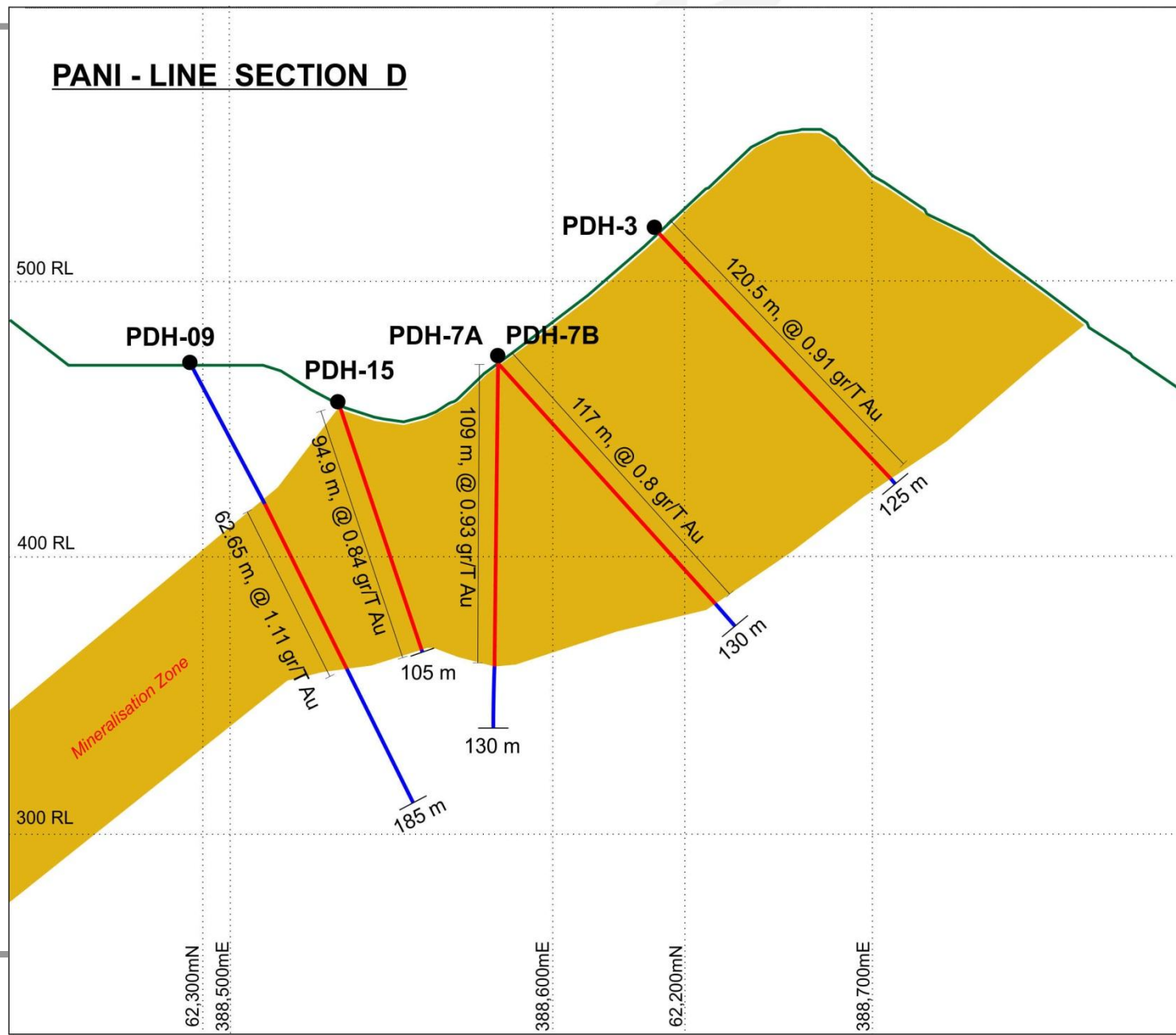
Copperbelt Minerals

- Slow progress in the DRC
-

One Asia Resources - Pani



One Asia Resources - Pani



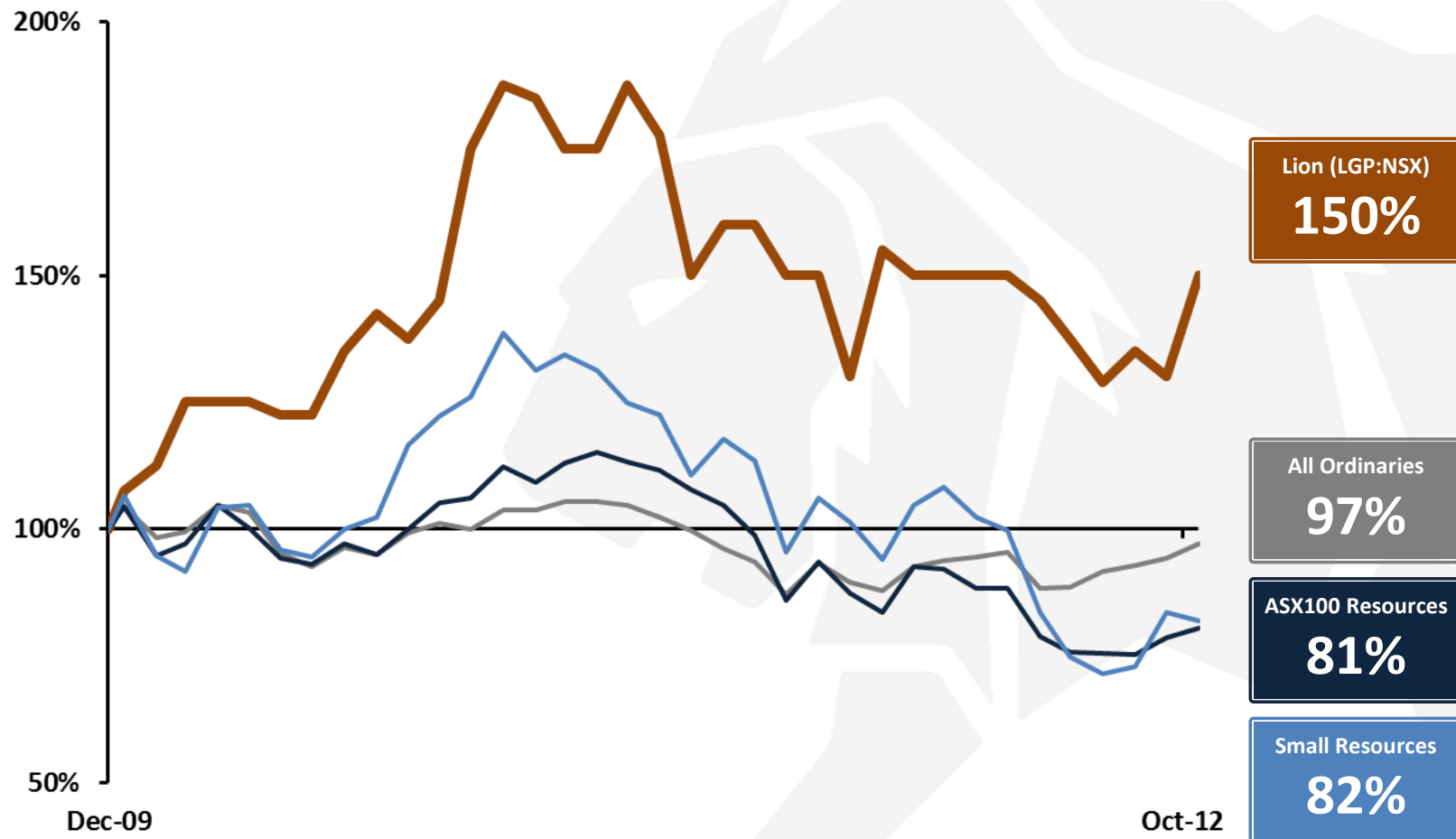
Lion's NSX era: 2009 - 2012

- Portfolio consolidated
- People changes, new responsibilities
- Much greater alignment with shareholders: Board and Manager ownership of Lion

	1997	2009	2012
Board*	0.1%	0.1%	6.4%
Manager*	0.7%	1.8%	16.2%

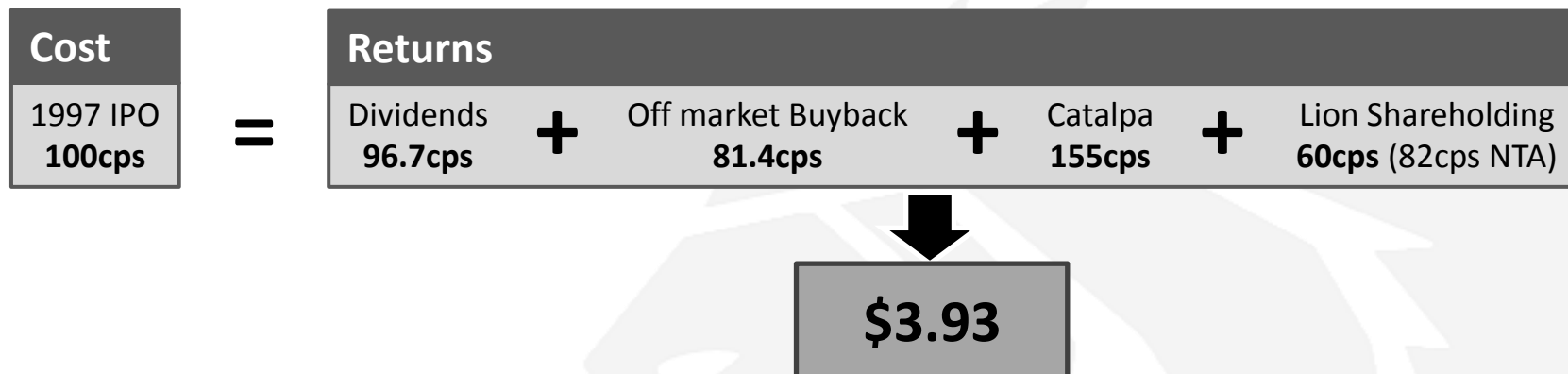
* Robin Widdup's holdings included in the Lion Manager Holdings, not Lion board holdings

Performance: NSX era



- Lion listed on NSX in December 2009, having demerged gold assets (Catalpa)
- First traded at 40cps (16 Dec 2009), closed Oct 2012 at 60cps

Performance: Shareholder returns



Annualised Total Shareholder Return, up to 31 October 2012:

	Lion	Small Resources	All Ordinaries
1 Year	0.0%	-22.3%	8.9%
3 Years	21.5%	-4.4%	3.5%
5 Years	24.6%	-8.1%	-3.6%
10 Years	24.8%	14.2%	8.7%
15 Years	16.3%	9.9%	8.5%
Inception	15.0%	8.1%	7.8%

- Investment performance figures reflect the historic performance of Lion Selection Group Limited (ASX:LSG, 1997 – 2007), Lion Selection Limited (ASX:LST, 2007-2009) and Lion Selection Group Limited (NSX:LGP, 2009 – present).
- Methodology for calculating total return is based on MorningStar (2006), which assumes reinvestment of distributions.
- Distributions made include cash dividends, shares distributed in specie as a dividend, proceeds from an off market buyback conducted in Dec 2008, and the distribution of shares in Catalpa Resources via the demerger of Lion Selection Limited in Dec 2009. Lion assume all distributions are reinvested, with all non-cash distributions are sold and the proceeds reinvested on the distribution pay date.
- Investment performance is pre-tax and ignores the potential value of franking credits on dividends that were partially or fully franked.
- Past performance is not a guide to future performance.
- Source: IRESS, Lion Manager.

Anger Track Reco

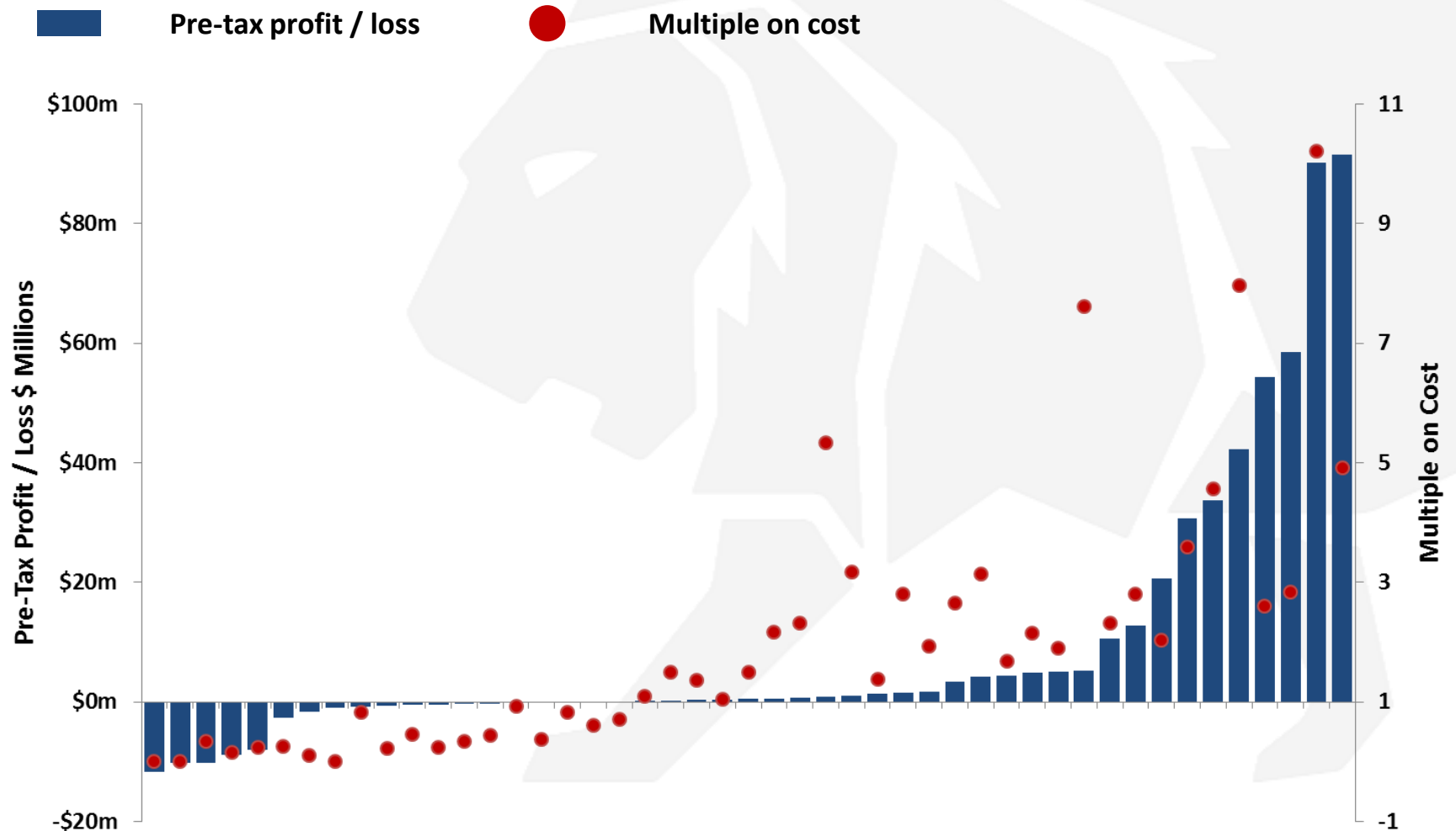
ts: Winners and Losers

ss

Multiple on cost

The image features a large, light gray silhouette of a lion's head in the background. Overlaid on this is a scatter plot. The plot has a horizontal axis with tick marks. A horizontal dashed line is drawn across the plot. Red dots are scattered throughout, with a higher concentration near the bottom. A legend in the upper left shows a red dot next to the text 'Multiple on cost'. The text 'ss' is partially visible on the left side.

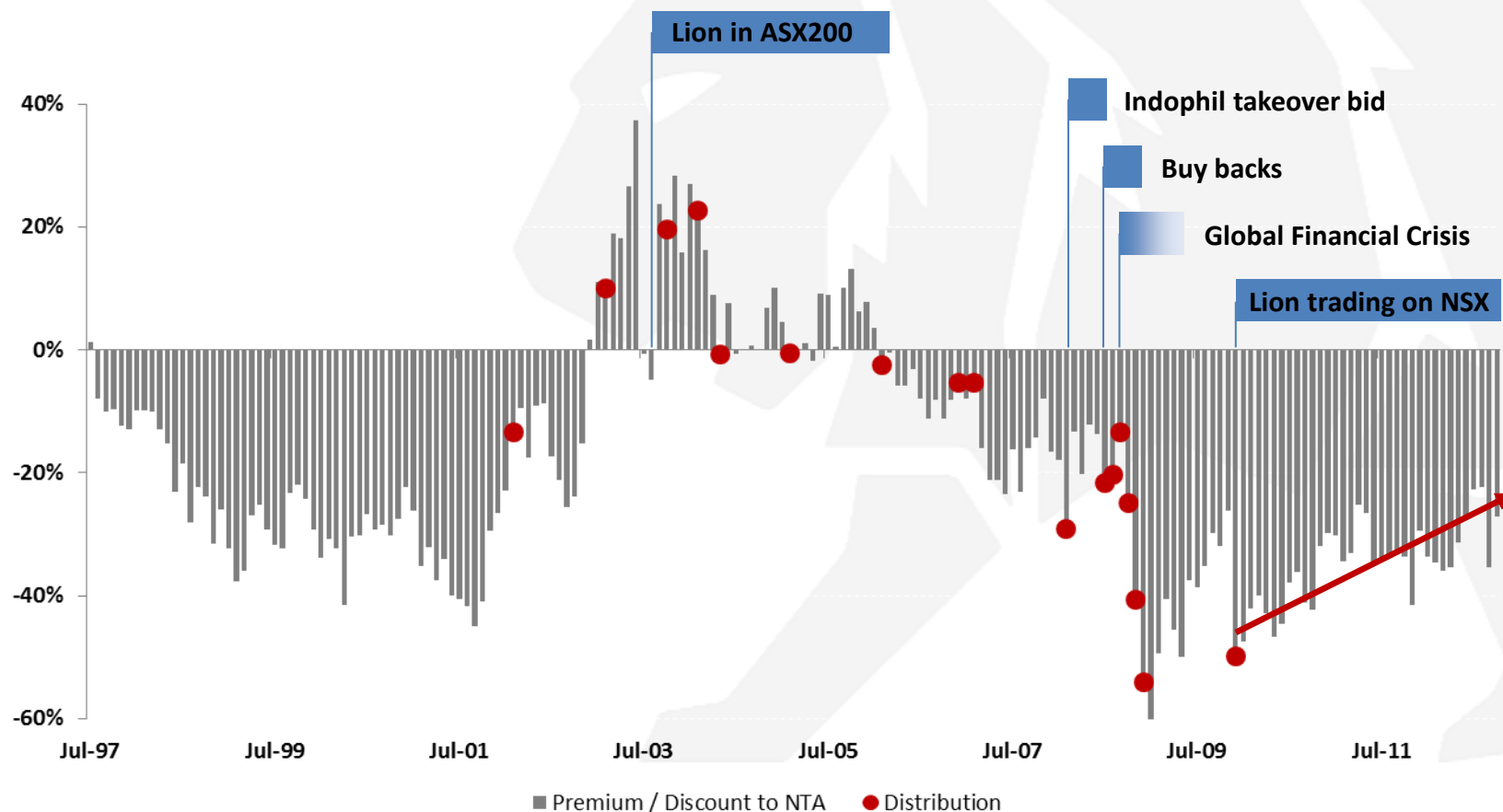
Exited Investments: Winners and Losers



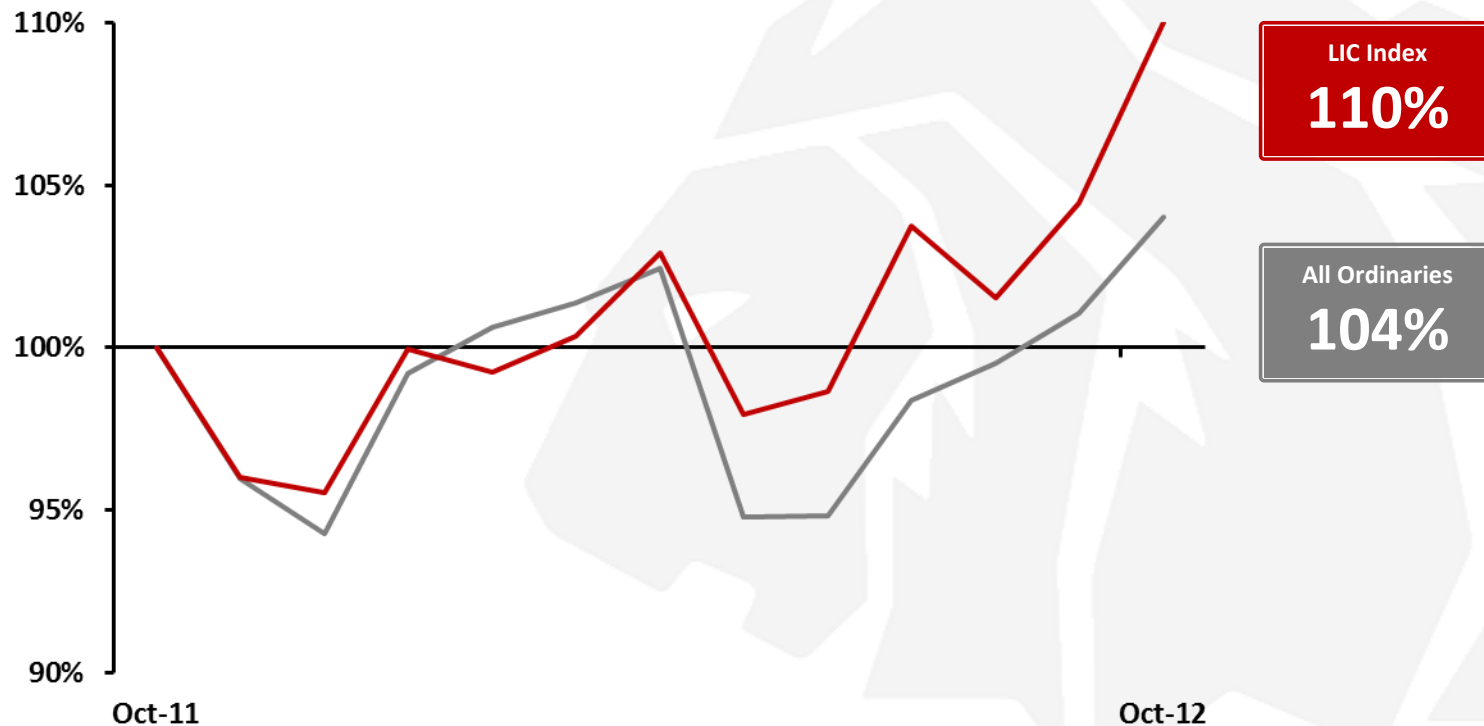
As at 31 October 2012. Source: Lion Manager

Discount to NTA

Oct 2012	27.1% Discount
Target	Share price \approx NTA



LIC Sector – Returning to favour



- LIC's outperformed All Ordinaries by 6% over 12 months
- Benefit from improved market sentiment and reforms to financial planning industry (levelled playing field with unit trusts)
- Expect LIC's to become vehicles of choice for SMSF investors – portfolio diversity, specialist management, access to sophisticated deals and market intelligence

Market

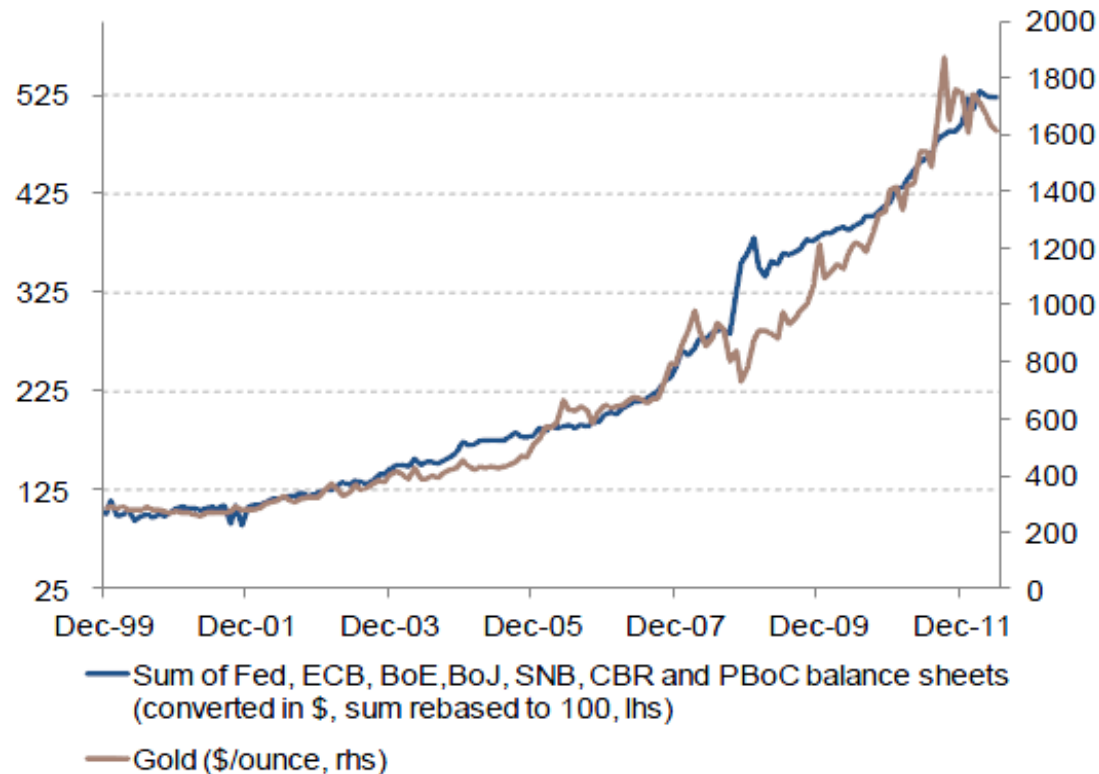
- **China** – still growing, political will for middle class growth underpins continued economic expansion
- **Mining boom** – intact globally, Australia's problem is labour cost and productivity
- **Supply vs demand** – mining investment boom has expanded supply in some sectors
- **Gold** – underpinned by currency debasement
- **Exploration** – pockets of excitement
- Resources market is ripe for investment, BUT:

Financing is challenging

Can no longer rely on a rising tide to lift all boats

Gold

Gold price vs. balance sheets of major central banks

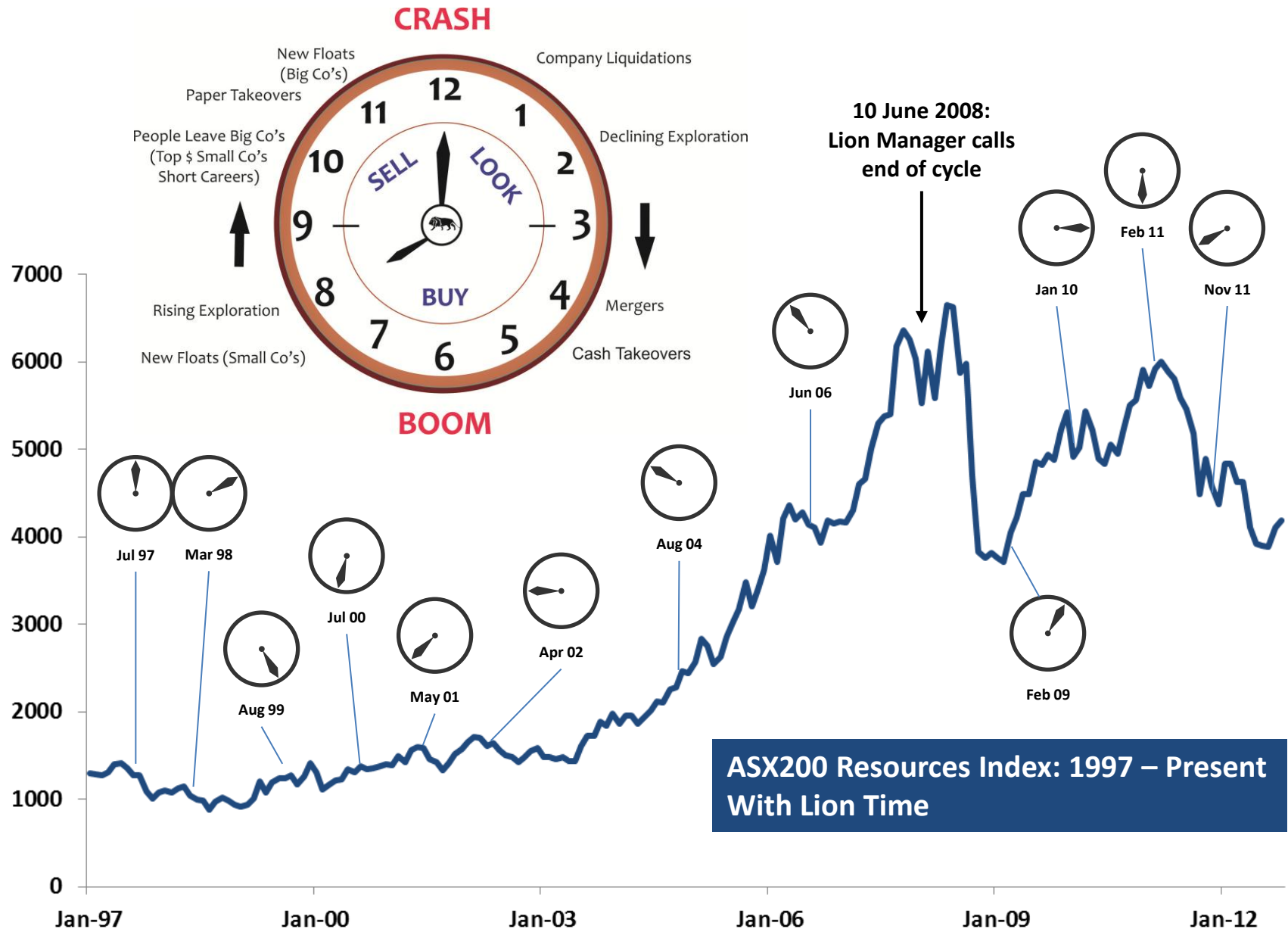


Money the banks can't print

China

- High proportion of GDP growth is investment in infrastructure and habitation - led to a ravenous appetite for commodities. Question is over sustainability
 - Vigorous debate between China bulls and bears
 - GDP growth rate declining – law of diminishing returns, but absolute growth robust
 - Continued growth not without challenges
 - ***Substantial political will to increase size and well being of the middle class***
-

Mining Cycle & Lion Clock



Summary

- ASX re-listing
 - Target private investors
 - Manager reharnessed
 - Seek regular dividend, not large & lumpy
 - Simplify the structure
-

An aged view on mining investment

“Many persons hold the opinion that the metal industries are fortuitous and that the occupation is one of sordid toil, and altogether a kind of business not requiring so much skill as labour...

...A miner must have the greatest skill in his work, that he must know first of all what mountain or hill, what valley or plain, can be prospected most profitably, or what he should leave alone; moreover he must understand the veins, stringers and seams in the rocks...

...Furthermore, there are many arts and sciences of which a miner should not be ignorant...necessary that those who take an interest in the methods and precepts of mining and metallurgy...on every point should consult expert mining people, though they will discover few who are skilled in the whole art. As a rule one man understands the methods of mining, another the methods of washing, another smelting, another has a knowledge of measuring hidden parts of the earth, another is skilful in making machines, and finally, another is learned in mining law.

But as for us, though we may not have perfected the art of discovery and preparation of metals, at least we can be of great assistance to persons studious in its acquisition.”

Lion in the Community

We care about the well-being of the wider community because helping others is part of our culture.

Lion has supported various organisations, some of which are featured below, by donating over \$150,000 in the last 5 years.





Thank
You